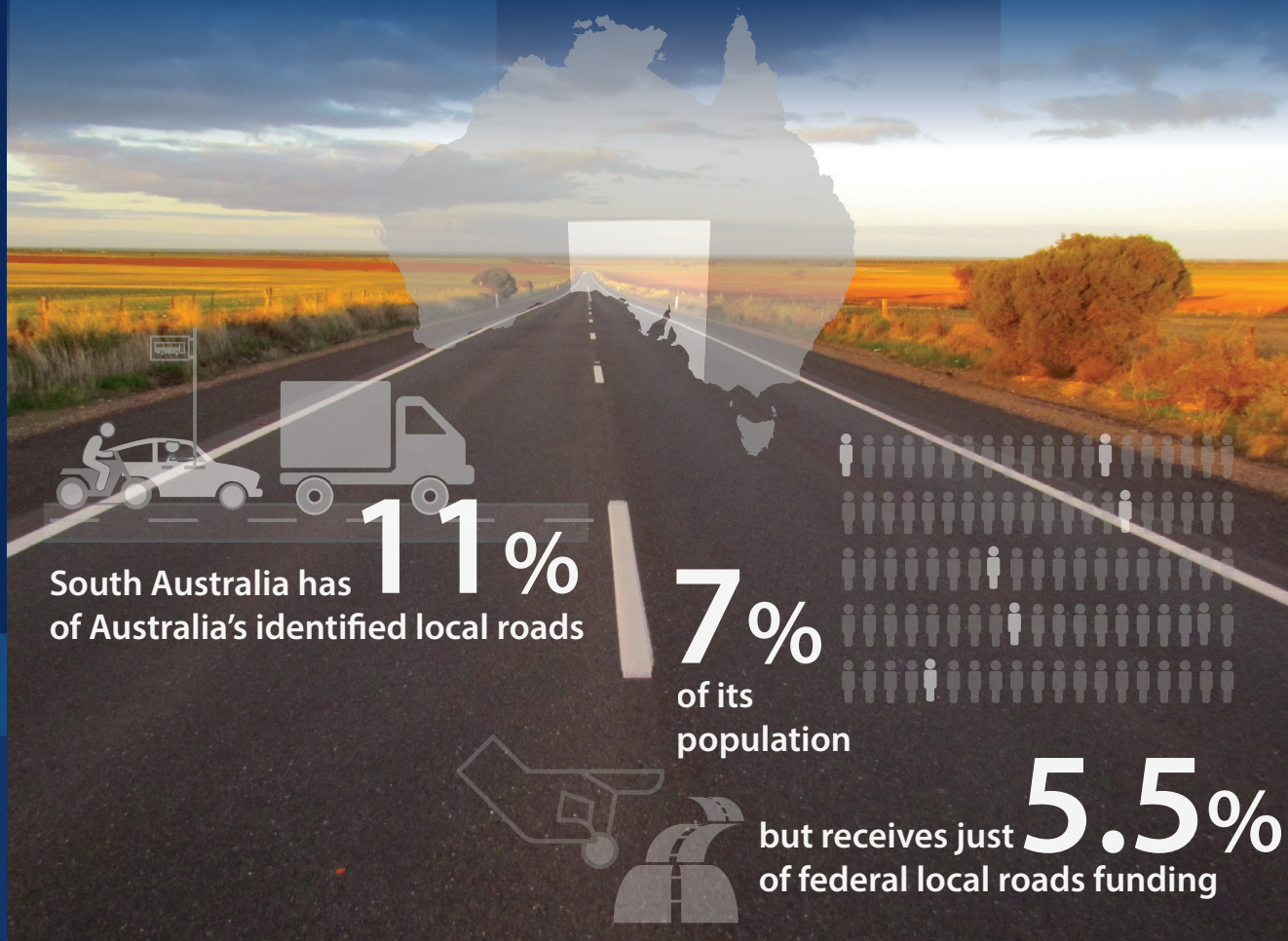


A fair share of federal road funding for South Australia



A fair share of federal road funding for South Australia

What's the issue?

For many years, there has been a shortfall in the level of funding to South Australian councils under the Identified Roads component of their Commonwealth Financial Assistance Grants (FAGs).

Why is this important?

This funding is immensely important to helping South Australian councils keep their roads safe for motorists by upgrading and maintaining their local road networks.

Background

South Australian councils are asking the Commonwealth Government to maintain a fair share of road funding for our local communities by providing \$20 million per year in the 2021-22 Federal Budget.

South Australia has 11% of Australia's local roads, and 7% of its population, but only receives 5.5% of the Identified Roads component of Commonwealth Financial Assistance Grants (FAGs).

Since 2003, successive Federal Governments have allocated supplementary road funding to South Australia as a temporary fix to an unfair funding formula.

This supplementary funding was cut in the 2014-15 Federal Budget and reinstated in 2017-18 at \$20 million per year for two years.

Most recently, the 2019-20 Federal Budget committed \$40 million to continue supplementary road funding for two years, which is due to expire on 30 June 2021.

Supplementary road funding is not guaranteed beyond this financial year, and without a renewed commitment, communities in South Australia will once again be without a fair share of Australia's road funding.

A fair share - a fair ask

South Australian councils are not asking for more - just a commitment to make permanent funding that South Australia has received almost every year since 2003.

This is essential to ensure local government can deliver safe, fit-for-purpose road networks now and into the future. South Australian communities, residents and businesses deserve a fair share of federal road funding.

Financing local roads - the challenge for councils

Roads lay the foundation for economic and social progress. They are the key infrastructure that connects and supports communities, families, businesses, community inclusion, access and safety.

South Australia councils plan, design and maintain 75,000km of road in their local areas.

Unlike federal and state governments, councils cannot raise funds through fuel sales, road use, vehicle registration or other road/transport related charges. As such, the funding provided by the Federal Government is critical to Australia's local road network.

Local government has welcomed the Commonwealth's strong focus on fast, targeted short-term stimulus funding, such as the \$1.5 billion Local Roads and Community Infrastructure Program, that will help councils bring forward shovel-ready infrastructure projects that will create jobs and support Australia's economic recovery from COVID-19.

However, rebuilding needs to be sustained. SA local road funding is a core component of the Coalition Government's significant work program to improve infrastructure and strengthen regional and urban communities. The long-term benefits of Federal stimulus funding will only be realised if core funding through the SA supplementary road funding is ongoing.

Supplementary road funding is essential in supporting South Australia's regional communities, which have large geographic areas and relatively low populations. Regional councils have limited capacity to raise their own road funding through council rates.

Adequate road funding is vital to underpin a productive rural economy and support the regions as a place to live, work, invest and visit.

